

government collapsed before the onslaught. The committee felt strongly about their fears and said, "Keep the banks out of that area. It is reserved for a certain group of business people who have successfully given employment and contributed to the community and who deserve some protection in law against the might and muscle of the banks and the banks' ability to effectively destroy competition and take whatever areas of the market they want for themselves."

Our concern with this particular amendment is that it was pushed in through the backdoor, accidentally. These people arrived late and they did not have a strong lobby. There was some correspondence and concern was expressed that the banks were moving into the data processing area almost as a natural offshoot of banking. In the process, new companies were being formed in a new field, individual groups where innovation could occur in services to small communities. Competitive services could be offered at reasonable rates for developing businesses. This was not a substantial lobby; in fact it was not quite as persuasive as some of the more powerful groups which came before us to say, "Do not let the banks get in." The government's amendment, in clause 174(2), reads as follows:

Except as authorized by or under this act and in accordance with such terms and conditions, if any, as are prescribed by the regulations, a bank shall not, directly or indirectly, (j) engage in Canada in providing data processing services other than such banking related data processing services, within the meaning prescribed by the regulations, as are prescribed by the regulations to be services that a bank may provide in Canada.

First of all, Mr. Speaker, the phrasing is confusing. That particular piece of information written into the legislation, can be changed. The regulations can expand or alter its meaning. I put the question tonight, Mr. Speaker: to what extent in the very loose wording of that clause, will banks move into areas currently handled by the people who are now handling data processing services?

A small businessman in the city of Courtenay has an account with the Canadian Imperial Bank of Commerce which is an old friend in our riding. It suddenly suggested that as long as he was doing his banking there, for a nominal charge it would do his payroll and take care of all that nasty stuff that involves unemployment insurance, Canada pension deductions, income tax deductions, and so on.

I see that the hon. gentleman from Burlington is leaving with his shovel, Mr. Speaker. He has heard this all before. I think the absence of his shovel in this particular place is an improvement.

What we are concerned with is the infringement of banks on areas of small business. The very loose wording of this clause mentions the desire to handle problems but instead of dealing with them firmly in the legislation they are to be dealt with in the regulations—regulations that can be changed later by order in council—regulations that we have not seen—regulations that are not firm at the present time and certainly will not be in the future.

Our concern is that banks are interested in moving into areas traditionally occupied by small businesses throughout

the country. There were representations from data processors. The approach was not as sophisticated and the pressure not as heavy as that of other more effective groups. As a result, I am afraid the protection provided in the legislation is not complete. The minister is shaking his head. I know that he, being of clear heart and sound mind and with beneficence of spirit towards his fellow man, is someone we can all trust and love.

On the other hand, his successors may not see the world in the same way and the regulations may change. In fact, we may find that when they appear in final form these regulations are not exactly what we wanted.

We have an obligation to protect the small entrepreneur, Mr. Speaker. Time and time again I have heard my colleague from Kamloops-Shuswap (Mr. Riis) declare that neither of the other parties in the House has done a good job for small business in this country. There are many problems, such as a 19 per cent interest rate for small businessmen in the data processing area. There are many bankruptcies today and large numbers of small businessmen are facing difficulty.

In the final analysis, this is a very loose provision and I suggest it would allow the banks to move into the area. There will certainly be lobbying and pressure from the banks to allow them to do this. They have already attempted to encroach on the conditions laid down for car leasing when we wanted to protect that line of business. Fears have been expressed that in time the bankers' association may be able effectively to erode the protection which was built in for that business.

There is certainly no protection in this particular clause, Mr. Speaker. Had the government felt an obligation to small business and a responsibility to protect it, I think the clause would have been firmer. The clause that we recommend would be firmer.

This concludes my remarks, Mr. Speaker. I would like to hear an explanation from the minister about this very loose and opened statement.

**Mr. Don Blenkarn (Mississauga South):** Mr. Speaker, once again the hon. member for Comox-Powell River (Mr. Skelly) has demonstrated to this House how confused he is about what businesses do. He spoke about payroll services. If he had been around small business for any length of time he would know that it has long been the business of banks to offer to put a payroll together for businesses. At a time when people were paid in the lawful money of Canada, the banks put it in brown envelopes and delivered it to the business for distribution to its employees.

Subsection (2)(j) refers to data processing related to banking services and to other services that a bank may provide. In other words, there are limits on the kind of data processing that a bank can do for a customer, or as part of its business. The business is described in the regulations and probably that, more than anything, ties the bank's hands. It certainly ties the government's hands in terms of proclaiming regulations. I suggest, sir, that the best way we can control the bank's expansion in the data processing field is as described in subsection (j). There was an effort in committee to go over the